
HOUSE BILL No. 2004

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-6; IC 6-8.1-5-2; IC 9-18-2-1.

Synopsis: Motor vehicle excise tax. Provides that any Indiana resident who has registered a motor vehicle in Indiana in any previous registration year is not required to register the motor vehicle, is not required to pay motor vehicle excise tax under IC 6-6-5 or the commercial vehicle excise tax under IC 6-6-5.5 on the motor vehicle, and is exempt from property tax on the motor vehicle for any registration year in which the motor vehicle is not operated inside or outside Indiana. (Under current law, this exemption is available only to active members of the armed forces who are assigned to a duty station outside Indiana.) Specifies that when an Indiana resident registers a motor vehicle in Indiana after the period of exemption, the bureau of motor vehicles commission may not require the Indiana resident to pay any tax that is not also charged to other motor vehicles being registered in the same registration year.

Effective: January 1, 2002.

Steele

January 17, 2001, read first time and referred to Committee on Ways and Means.

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Introduced

First Regular Session 112th General Assembly (2001)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2000 General Assembly.

HOUSE BILL No. 2004

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 6-6-5-2 IS AMENDED TO READ AS FOLLOWS
2 [EFFECTIVE JANUARY 1, 2002]: Sec. 2. (a) **Except as provided in**
3 **IC 9-18-2-1(f)**, there is imposed an annual license excise tax upon
4 vehicles, which tax shall be in lieu of the ad valorem property tax
5 levied for state or local purposes, but in addition to any registration fees
6 imposed on such vehicles.
7 (b) The tax imposed by this chapter is a listed tax and subject to the
8 provisions of IC 6-8.1.
9 (c) No vehicle, as defined in section 1 of this chapter, excepting
10 vehicles in the inventory of vehicles held for sale by a manufacturer,
11 distributor or dealer in the course of business, shall be assessed as
12 personal property for the purpose of the assessment and levy of
13 personal property taxes or shall be subject to ad valorem taxes whether
14 or not such vehicle is in fact registered pursuant to the motor vehicle
15 registration laws. No person shall be required to give proof of the
16 payment of ad valorem property taxes as a condition to the registration
17 of any vehicle that is subject to the tax imposed by this chapter.

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SECTION 2. IC 6-6-5.5-3, AS ADDED BY P.L.181-1999, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2002]: Sec. 3. (a) **Except as provided in IC 9-18-2-1(f)**, there is imposed an annual license excise tax upon commercial vehicles, which tax shall be in lieu of the ad valorem property tax levied for state or local purposes, but in addition to any registration fees imposed on such vehicles.

(b) Owners of commercial vehicles paying an apportioned registration to the state under the International Registration Plan shall pay an apportioned excise tax calculated by dividing in-state actual miles by total fleet miles generated during the preceding year. If in-state miles are estimated for purposes of proportional registration, these miles are divided by total actual and estimated fleet miles.

(c) The tax imposed by this chapter is a listed tax and subject to the provisions of IC 6-8.1.

(d) No commercial vehicle subject to taxation under this chapter shall be assessed as personal property for the purpose of the assessment and levy of personal property taxes or shall be subject to ad valorem taxes first due and payable in 2001 or thereafter, whether or not such vehicle is in fact registered pursuant to the motor vehicle registration laws. No person shall be required to give proof of the payment of ad valorem property taxes as a condition to the registration of any vehicle that is subject to the tax imposed by this chapter.

SECTION 3. IC 6-8.1-5-2, AS AMENDED BY P.L.181-1999, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2002]: Sec. 2. (a) Except as otherwise provided in this section, the department may not issue a proposed assessment under section 1 of this chapter more than three (3) years after the latest of the date the return is filed, or any of the following:

- (1) the due date of the return; or
- (2) in the case of a return filed for the state gross retail or use tax, the gasoline tax, the special fuel tax, the motor carrier fuel tax, the oil inspection fee, or the petroleum severance tax, the end of the calendar year which contains the taxable period for which the return is filed.

(b) If a person files an adjusted gross income tax (IC 6-3), supplemental net income tax (IC 6-3-8), county adjusted gross income tax (IC 6-3.5-1.1), county option income tax (IC 6-3.5-6), or financial institutions tax (IC 6-5.5) return that understates the person's income, as that term is defined in the particular income tax law, by at least twenty-five percent (25%), the proposed assessment limitation is six (6) years instead of the three (3) years provided in subsection (a).

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(c) In the case of the motor vehicle excise tax (IC 6-6-5), the tax shall be assessed as provided in IC 6-6-5-5 and IC 6-6-5-6 and shall include the penalties and interest due on all listed taxes not paid by the due date. **Except as provided in IC 9-18-2-1(f)**, a person that fails to properly register a vehicle as required by IC 9-18 and pay the tax due under IC 6-6-5 is considered to have failed to file a return for purposes of this article.

(d) In the case of the commercial vehicle excise tax imposed under IC 6-6-5.5, the tax shall be assessed as provided in IC 6-6-5.5 and shall include the penalties and interest due on all listed taxes not paid by the due date. **Except as provided in IC 9-18-2-1(f)**, a person that fails to properly register a commercial vehicle as required by IC 9-18 and pay the tax due under IC 6-6-5.5 is considered to have failed to file a return for purposes of this article.

(e) If a person files a fraudulent, unsigned, or substantially blank return, or if a person does not file a return, there is no time limit within which the department must issue its proposed assessment.

(f) If, before the end of the time within which the department may make an assessment, the department and the person agree to extend that assessment time period, the period may be extended according to the terms of a written agreement signed by both the department and the person. The agreement must contain:

- (1) the date to which the extension is made; and
- (2) a statement that the person agrees to preserve the person's records until the extension terminates.

The department and a person may agree to more than one (1) extension under this subsection.

(g) If a taxpayer's federal income tax liability for a taxable year is modified due to the assessment of a federal deficiency or the filing of an amended federal income tax return, then the date by which the department must issue a proposed assessment under section 1 of this chapter for tax imposed under IC 6-3 is extended to six (6) months after the date on which the notice of modification is filed with the department by the taxpayer.

SECTION 4. IC 9-18-2-1, AS AMENDED BY P.L.181-1999, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2002]: Sec. 1. (a) Within sixty (60) days of becoming an Indiana resident, a person must register all motor vehicles owned by the person that:

- (1) are subject to the motor vehicle excise tax under IC 6-6-5; and
- (2) will be operated in Indiana.

(b) Within sixty (60) days after becoming an Indiana resident, a

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person must register all commercial vehicles owned by the person that:

- (1) are subject to the commercial vehicle excise tax under IC 6-6-5.5;
- (2) are not subject to proportional registration under the International Registration Plan; and
- (3) will be operated in Indiana.

(c) A person must produce evidence concerning the date on which the person became an Indiana resident.

(d) Except as provided in subsection (e), an Indiana resident must register all motor vehicles operated in Indiana.

(e) An Indiana resident who has a legal residence in a state that is not contiguous to Indiana may operate a motor vehicle in Indiana for not more than sixty (60) days without registering the motor vehicle in Indiana.

(f) An Indiana resident who has registered a motor vehicle in Indiana in any previous registration year is not required to register the motor vehicle, is not required to pay motor vehicle excise tax under IC 6-6-5 or the commercial vehicle excise tax under IC 6-6-5.5 on the motor vehicle, and is exempt from property tax on the motor vehicle for any registration year in which

~~(1) the Indiana resident is:~~

~~(A) an active member of the armed forces of the United States; and~~

~~(B) assigned to a duty station outside Indiana; and~~

~~(2) the motor vehicle is not operated inside or outside Indiana.~~

This subsection may not be construed as granting the bureau authority to require the registration of any vehicle that is not operated in Indiana.

(g) When an Indiana resident registers a motor vehicle in Indiana after the period of exemption described in subsection (f), the Indiana resident may submit an affidavit that:

(1) states facts demonstrating that the motor vehicle is a motor vehicle described in subsection ~~(e)~~; **(f)**; and

(2) is signed by the owner of the motor vehicle under penalties of perjury;

as sufficient proof that the owner of the motor vehicle is not required to register the motor vehicle during a registration year described in subsection (f). The commission or bureau may not require the Indiana resident to pay any civil penalty or any reinstatement or other fee **or tax** that is not also charged to other motor vehicles being registered in the same registration year.

SECTION 5. [EFFECTIVE JANUARY 1, 2002] IC 6-6-5-2, IC 6-6-5.5-3, IC 6-8.1-5-2, and IC 9-18-2-1, all as amended by this



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1 **act, apply to motor vehicle registration years beginning after**
2 **December 31, 2001.**

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